

Nation's Bankers Pledge Help to Reduce Prices; Stores Slash in 24 Cities

Goods Reduced From 15 Per Cent to Minus Profit—Biggest Reductions on Women's Garments

Lusk Inquiry Aimed At Sugar Profiteers

Financiers, at Conference With Federal Reserve Board, Agree to Help Bring Deflation

Tight Money Given As One of Reasons

**Public for Lower Costs—
Also Cited as Effective**

CHICAGO, May 18.—A wave of price cutting in retail clothing costs, reaching from the Mississippi Valley to

The Pacific Coast, was reported today. Dispatches from twenty-four cities in that territory told of promised reductions in these necessities ranging from 15 per cent to minus profit.

Financial authorities here said the indications were that the price decreases would be moderate.

The committee had made efforts to have Earl D. Babst, president of this company, appear at yesterday's session, but at Mr. Babst's office it was said he was not in the city. The names of witnesses from other companies were withheld.

day with the Federal Reserve Board, pledged themselves to help the board in a drive on high prices and to aid in efforts at deflation.

Specifically, the bankers agreed unreservedly to support the board's new policy in discouraging "habitual

eline would be limited to ready-to-wear clothing, principally women's garments and silks. Shoes were in the list affected.

Tight money and inadequate transportation facilities were cited among the prime reasons for the movement among merchants. Delays in delivery of goods in which much money had been tied up, together with inability of farmers to get grain and livestock to market, were said in many instances to have worked a hardship on merchants.

Terms Public Historical

An officer of one of the leading department stores of Chicago declared the price reduction now being reported meant also that merchants were trying to satisfy what he called "a historical demand from the public for lower prices." These current reductions, he said, might be only temporary.

A financial authority here said that if reports of price cutting were dependable they indicated a tendency toward a reduction in inventories. If that might be temporary, he declared, it was undoubtedly good, in that it suggested

held.

Embargo Asked To Put Stop to Sugar Exports

Head of Flying Squadron Telegraphs Palmer to Obtain Authority for Holding Product Here

Armin W. Riley, in charge of the Department of Justice "Flying Squadron," yesterday telegraphed to Attorney General Palmer asking for authority to declare an embargo against all sugar exports from this district.

Mr. Riley also asked Department of

and unnecessary borrowings," and to seek curtailment of "long standing, non-essential loans," as an initial step toward ending the era of high prices and speculation.

Governor Harding set forth the board's policy in a speech designed to clarify the general situation and to explain the government's views. He warned of impending dangers in the cycle of continued borrowings, and speculation and appealed to bankers and public alike to be conservative in their demand for bank credits.

"It is evident," Mr. Harding said, "that the country cannot continue to advance prices and wages, to curtail production, to expand credits and attempt to enrich itself by non-productive operations and transactions with out fostering discontent and radicalism; and that such a course, if persisted

that merchants were going ahead more cautiously. Sales are being held under various names.

In Topeka, Kan., a men's clothing firm announced a "no profit" sale, declaring that it was "not going to be a profit at the end of the sale by letting the fair price commissioner or a committee named by him take possession of its books and accounts."

Underselling in St. Louis

Department stores in St. Louis advertised "underselling campaigns."

Twenty per cent cuts were the most popular. On the Pacific Coast dealers announced cuts of 20 per cent flat to "profitless sales," declaring that on some women's garments prices were cut virtually in half.

Three St. Louis retailers cut clothing 20 per cent. A San Francisco one retailer has announced a 20 per cent cut in all lines, another cuts of 20 to 50 per cent in certain commodities. At Everett, Wash., two men's stores announced 20 per cent clothing cuts.

Service headquarters to obtain for him authority to interdict deliveries of sugar to non-essential industries. Among these he classed candy manufacturers and soda water concerns. The price of sugar, despite the fact that the Rocky Mountain West reports a sharp decline, will continue at top figures here, says Mr. Riley, unless the supply can be conserved to the limit. This can be done, he thinks, only through an embargo on shipments abroad and upon deliveries to non-essential industries. Fully 175,000 tons of sugar have been exported to European ports from the port of New York since January 1, 1920, he says.

Mr. Riley announced that his "flying squadron" agents would obtain from sugar refiners and warehouses in the New York district statements giving a

in, will eventually bring on a real crisis."

Commodities Must Be Released

Mr. Harding said "everything must be done" to expedite the release of money in "frozen loans" and in commodities held either for speculative purposes or because of lack of transportation, and urged bankers to use the utmost discrimination in granting new loans.

Reports laid before the conference by the Federal advisory council, directors of the Federal Reserve banks and by a committee representing the American Bankers' Association were to the effect that inflation has continued to some extent since the flotation of the Victory Loan last May.

This, Mr. Harding declared to be on

Three large Omaha stores several days ago announced a flat reduction of 50 per cent, and other Omaha stores have followed. Several Omaha stores said their cuts in prices of silk goods were 50 per cent. In York, Neb., a 20 per cent decrease in women's silk and woolen garments was made. In Wichita, Kan., silk shirts have been reduced. Coffeyville, Kan., reported many cut price sales.

Sale in Minneapolis

In Minneapolis a large department store has announced a general cut of 20 per cent. At Knoxville, Tenn., one of the largest department stores to-day made a general reduction of 25 per cent on its entire stock, except a few contract price articles. Such reductions also were announced.

At Oklahoma City, sales offers at 20

per cent off the regular prices of the true account of the amounts of sugar stocks on hand for information of the government should the Department of Justice be authorized to declare an embargo.

Woman Indicted

Three indictments charging profiteering were returned by the Federal Grand Jury.

One was against Max Muller, of 15 West 100th Street, charging him with having obtained 575 pounds of sugar at 17 cents a pound and selling it April 25 last to Samuel Hahn for 24 cents a pound. Another was against Francis A. De Silva, the first alleged woman profiteer to be taken into custody, on the charge of having obtained 3,840 pounds of sugar, March 31, at 17 cents

of "the disquieting features" of the present situation. He asserted that the expansion of banking credit, "properly attributable to the war," was about \$11,000,000,000, while money in actual circulation had increased \$1,900,000,000. Credit expansion, even to that extent, was not believed by Mr. Harding to be alarming or excessive "when viewed from the standpoint of war necessity," and when it was recalled that the government placed \$26,000,000,000 in Liberty bonds in the same period.

"Industrial Effort" Slows Down

Mr. Harding deplored the falling off in production in practically all important lines. He said it constituted a "very unsatisfactory element" in the

At Ardmore, one retailer announced a 20 per cent reduction. One men's store at Muskogee cut everything 10 to 20 per cent. At Okmulgee, the reduced sales of spring and summer apparel with reductions of 20 per cent.

At San Antonio, Tex., two department stores announced reductions.

(Continued on next page)

**Wilson Abandons
Plan for Vacation
President Will Remain**

**in Washington Until the
Close of the Convention**

From The Tribune's Washington Bureau

No Authority for Embargo

WASHINGTON, May 18.—No authority exists in the Department of Justice

WILSON, UNDER THE PRETEXT OF ABANDONED PLANS FOR LEAVING WASHINGTON UNTIL AFTER THE DEMOCRATIC NATIONAL CONVENTION IN SAN FRANCISCO. THE DESIRE OF THE PRESIDENT TO BE CONSTANTLY IN TOUCH WITH THE CONVENTION, WHICH WILL MEET IN WASHINGTON, MAY BE THE NECESSITY OF WASHINGTON BY HIS BELIEF TO HAVE BEEN THE CHIEF REASON

for his decision. The President may decide later to accept one of the many proposals which have been tendered for a temporary summer residence, according to reports here.

The fitting up of the yacht Mayflower, in which an elevator is being specially installed for the convenience of the President's family, has been ordered by the President so he can take brief cruises should the weather be suitable to the convention being become unbearable.

The President passed an extremely busy day, with a program that included the following:

Received at the department to meet the sugar situation, such as rationing of sugar, and the effect on the sugar industries, but no law exists which will enable the department to control definitely its distribution by the refiners.

Department officials entertain hopes that the sugar refiners who have conferred with the Generalissimo and Fugg recently will cooperate with the government in its proper distribution and assist in the scheme of controlling prices to suit a way as to ameliorate present conditions.

The Federal Reserve Bank, Mr. Harding declared, could do much in the direction of curtailing credits of money to banks, but that it could not make normal amounts they could borrow from the reserve institutions. He said, however, that this would compel the individual banks to examine carefully all applications for loans.

Freight Congestion Big Factor

No small measure of the difficulties in the way of the nation's sugar, attributed by Mr. Harding to the nation's freight congestion. He added tonight, however, that the freight situation was not responsible for the present sugar shortage.

At the Cabinet meeting the President is said to have shown an unusual interest in the bill, and to have said that he was in favor of it, and to have been in a particularly cheerful mood. He is understood to have discussed with his official advisers the present situation and the railroad congestion problem.